

**Statement  
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Chairwoman  
Subcommittee on Housing and Community Opportunity  
Hearing on Housing Affordability  
July 17, 2001**

Good morning.

Thank you all for coming this morning. This is the fourth hearing in a series of several planned by the Subcommittee on the issue of affordable housing. At the Subcommittee's first hearing, held on May 3, 2001, witnesses defined the parameters and complexities of the problem and outlined some potential solutions. At the second hearing, held on May 22, 2001, witnesses testified regarding public/private initiatives that address affordable housing, and on the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs. The third hearings focused on the under-utilization of section 8 vouchers, as well as the specific problems faced by the homeless and disabled populations in finding affordable housing.

Today's hearing will focus on elderly housing programs and the difficult problems faced by the elderly in finding suitable affordable housing as well as the coordination of housing and the services they so desperately need.

According to the Department of Commerce, Bureau of the Census, in July 1999 there were more than 35.5 million Americans over 65 years of age, and the Bureau projects that by the year 2030, more than 70 million, will be over 65 years of age.

HUD statistics indicate that only one-third of the low-income senior citizens in need of affordable housing actually receives assistance. Furthermore, the high cost of housing is the most widespread housing problem for older Americans.

Our seniors deserve to partake in the American Dream – decent affordable housing for all. But, appropriate housing for our seniors is only part of the dream. Along with the decent housing, seniors need supportive services. The lack of options, such as assisted living, for low-income seniors who wish to age-in-place in their communities is a real problem. In addition, utility costs continue to rise and create additional problems for our seniors on fixed incomes.

Over the years, non-profits and faith-based organizations have worked with HUD to develop creative ways to meet the needs of this vulnerable

group in our society; but as our population continues to age, we need to develop new ways to meet the elderly housing needs and to make sure that they have access to the services they so desperately need.

There is no doubt that we must do more to increase new production and to preserve our existing elderly housing stock, but the solution to this fundamental goal will not be easy and it deserves our deliberate consideration. As we continue to look at ways to address production and preservation, I believe there are things we can do now that will begin to address this problem.

First, we must take a serious look at the existing HUD programs and determine ways to make them run in a more efficient and effective manner. I believe we need to provide greater flexibility within the programs in order to maximize their utilization – this is true not only for the elderly programs, but for other programs like the Section 8 voucher program, HOME, CDBG and Hope VI.

We need to make sure that HUD has the trained staff and tools it needs to properly administer the programs – to cut the bureaucratic red tape that often slows the process and frustrates recipients as well as HUD's private partners. I know that Secretary Martinez is committed to this goal and I stand ready to work with him to accomplish that goal.

We know that it is more cost effective to provide services such as meals, transportation, housekeeping, personal care, and health care to the elderly in their homes rather than moving them to costly nursing care facilities prematurely. We also know that providing service coordinators to seniors to make sure that necessary services are provided to those who need them is a cost effective way of allowing seniors to age-in-place. These are things we know work, and we must look for ways to expand upon those successes.

Last year, this Committee recognized the need to address the growing elderly housing crisis and it created the Commission on Affordable Housing and Health Care Facility Needs in the 21<sup>st</sup> Century. The purpose of this Commission is to provide an estimate of the need for affordable housing, assisted living facilities, and health care facilities by elderly in the future. It is also to identify methods of encouraging private sector participation and investment in affordable housing for the elderly. The Commission is to submit a report to Congress on its findings. Unfortunately, the Commission members were not appointed until just recently. Two weeks ago, this committee approved legislation to extend the life of the Commission so that

they can complete their important work. I know that all of us look forward to receiving that report when it is completed.

We are fortunate to have two of the members of the Commission with us here today along with several other senior housing veterans who will not only provide us with valuable insights on the complexities of this growing problem but possible solutions.

Thank you all for coming and thank you for all the work you do to assist in providing and promoting housing for the elderly. I look forward to your testimony.

With that I would like to recognize my distinguished Ranking Minority Member, Congressman Frank.